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EXAMINER
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MEINECKE DIAZ, SUSANNA M

ART UNIT	PAPER NUMBER
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3623

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Please find below and/or attached an Office communication concerning this application or proceeding.



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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 08/900,360  
Filing Date: July 25, 1997  
Appellant(s): OBRECHT, WELLS

Elliott Goldberg (Reg. No. 33,347) for Terrell C. Birch (Reg. No. 19,382)  
For Appellant

**EXAMINER'S ANSWER**

**MAILED**

AUG 03 2004

**GROUP 3600**

This is in response to the appeal brief filed June 17, 2004.

**(1) Real Party in Interest**

A statement identifying the real party in interest is contained in the brief.

**(2) *Related Appeals and Interferences***

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

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**(3) *Status of Claims***

The statement of the status of the claims contained in the brief is correct.

**(4) *Status of Amendments After Final***

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) *Summary of Invention***

The summary of invention contained in the brief is correct.

**(6) *Issues***

The appellant's statement of the issues in the brief is substantially correct. The changes are as follows:

In response to entry of Applicant's after-final amendment (filed June 17, 2004), the Examiner has withdrawn the rejection under 35 U.S.C. § 112, 2<sup>nd</sup> paragraph of claims 1-9 only and the objections to claims 15 and 19. Therefore, the following issues remain before the Board of Patent Appeals and Interferences:

Whether the rejection of claims 17 and 18 under 35 U.S.C. § 112 has been overcome.

Whether the rejection of claims 1 and 2 under 35 U.S.C. § 101 is proper and legally correct.

Whether the rejection of claims 1-3 under 35 U.S.C. § 103(a) is proper and legally correct.

Whether the rejection of claims 4-20 under 35 U.S.C. § 103(a) is proper and legally correct.

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**(7) *Grouping of Claims***

The appellant's statement in the brief that certain claims do not stand or fall together is not agreed with because, while Appellant lists five separate groupings, Appellant argues the same basic arguments as applicable to all of claims 1-20. Therefore, claims 1-20 are constructively interpreted as standing or falling together in one group.

**(8) *Claims Appealed***

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(9) *Prior Art of Record***

McKenzie, Kevin. "Car Sales Firm Represents Buyers Looking for a Good Deal" The Commercial Appeal, Final edition, Business section, page B3, July 6, 1992.

Barciela, Susana. "Need a Car But Hate to Haggle? Service Will Negotiate for You" Miami Herald, Final edition, Business section, page 31BM, March 23, 1992.

"Southern California Gets New Service that Makes Car Dealers Bid for Customers' Business" PR Newswire, page 0128A4482, January 28, 1992.

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Laugesen, Wayne. "Here's a New Way of Buying a Car" Consumers' Research Magazine, vol. 75, no. 9, page 21(3), September 1992.

Anonymous. "Honestly the Best Policy" British Telecom Journal, vol. 8, no. 3, pages 32-33, 1987.

Reilly, Bob. "Firms Join Virtual Marketplace" Mesa Tribune, sG, page 1, July 16, 1994.

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**(10) *Grounds of Rejection***

The following grounds of rejection are applicable to the appealed claims:

(a) Claims 1 and 2 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. This rejection is set forth in a prior Office Action, mailed on December 5, 2003, and repeated below.

(b) Claims 17 and 18 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. This rejection is set forth in a prior Office Action, mailed on December 5, 2003, and repeated below.

(c) Claims 1-3 are rejected under 35 U.S.C. 103(a) as being unpatentable over CarBargains, as disclosed in the following references:

McKenzie ("Car Sales Firm Represents Buyers Looking for a Good Deal");

Barciela ("Need a Car But Hate to Haggle? Service Will Negotiate for You");

PR Newswire ("Southern California Gets New Service That Makes Car Dealers Bid for Customers' Business"); and

Laugesen ("Here's a New Way of Buying a Car")

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*in view of* Interax, as disclosed in the article, "Honestly the Best Policy." This rejection is set forth in a prior Office Action, mailed on December 5, 2003, and repeated below.

(d) Claims 4-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over CarBargains, as disclosed in the following references:

McKenzie ("Car Sales Firm Represents Buyers Looking for a Good Deal");

Barciela ("Need a Car But Hate to Haggle? Service Will Negotiate for You");

PR Newswire ("Southern California Gets New Service That Makes Car Dealers Bid for Customers' Business"); and

Laugesen ("Here's a New Way of Buying a Car")

*in view of* Interax, as disclosed in the article, "Honestly the Best Policy," as applied to claim 3 above, and *further in view of* Reilly ("Firms Join Virtual Marketplace"). This rejection is set forth in a prior Office Action, mailed on December 5, 2003, and repeated below.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1 and 2 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject-matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts. In the present case, claim 1 recites the useful, concrete, and tangible application of ranking sellers and providing this information to a buyer; however, claim 1 is not limited to the technological arts. In other words, all of the recited steps could be performed manually by a human and therefore do not necessarily apply, involve, use, or advance the technological arts. Further, mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process. In claim 2, the receipt of a request by a computer is deemed to be a nominal use of a hardware component. Claim 2 still fails to apply, involve, use, or advance the technological arts. Therefore, claims 1 and 2 are found to be non-statutory for failure to be limited to the technological arts.

Please note that claim 3 is deemed to be statutory because it is expressly recited that a central computer is performing one of the core steps of the invention, i.e., selecting at least one seller from a predetermined group of sellers of goods or services based on the received predetermined plurality of criteria.

Appropriate correction is required.

***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 17 and 18 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

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It is not clear whether the limitation "vehicle computers or appliances" (in line 2 of claim 17) should read as "vehicle computers" (i.e., computers associated with a vehicle) or "appliances" or if it should be read as "vehicles, computers, or appliances." For examination purposes, "vehicle computers or appliances" will be interpreted as "vehicles, computers, or appliances."

Appropriate correction and/or clarification is required.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-3 are rejected under 35 U.S.C. 103(a) as being unpatentable over CarBargains, as disclosed in the following references:

McKenzie ("Car Sales Firm Represents Buyers Looking for a Good Deal");

Barciela ("Need a Car But Hate to Haggle? Service Will Negotiate for You");



PR Newswire ("Southern California Gets New Service That Makes Car Dealers Bid for Customers' Business"); and

Laugesen ("Here's a New Way of Buying a Car")  
*in view of* Interax, as disclosed in the article, "Honestly the Best Policy."

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CarBargains discloses a method for purchasing goods or services from a seller by a buyer comprising:

[Claim 1] (a) receiving a request from a buyer for goods or services with a predetermined plurality of criteria related to the goods or services (McKenzie: ¶ 4; Barciela: ¶ 6);

(b) selecting at least one seller from a predetermined group of sellers of the goods or services based on the received predetermined plurality of criteria (McKenzie: ¶¶ 5-6 -- CarBargains calls at least five car dealers, who then submit bids through CarBargains. Presumably, CarBargains is contacting dealerships who they know at least sell the desired make of car, e.g., Lexus, Honda, etc.);

(c) transmitting the request of the buyer to the selected at least one seller of the goods or services (McKenzie: ¶ 5; Barciela: ¶ 7);

(d) receiving, within a predetermined time interval, responses from the at least one seller to the request (McKenzie: ¶ 5; Laugesen: ¶ 37 -- Responses are received within two weeks);

(e) compiling information provided in the responses received from at least one seller within the predetermined time interval (McKenzie: ¶¶ 5-7; Laugesen: ¶ 37 -- Responses are received and compiled to be given to the buyer within two weeks);

(g) providing the compiled responses of the selected seller for access by the buyer (McKenzie: ¶¶ 5-7).

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Regarding claim 1, CarBargains provides buyers with lists of quotes from various car dealers; however, CarBargains leaves the comparison of the car dealers and their respective offers up to the buyer. In other words, CarBargains does not expressly teach a ranking of the sellers based upon the compiled information including the plurality of criteria and selecting sellers with the relatively highest ranking. Interax makes up for this deficiency in its teaching of an on-line quotation system "which captured a customer's individual requirements and provided a list of insurance companies instead of simply obtaining one quote at a time. The list was ranked in order, not just by cost but also by projected bonuses and past performance as well" ("Honestly the Best Policy": page 33, column 2). The provision of an automatically generated list of ranked insurance companies facilitates the quick and confident selection of an insurance company that best meets a customer's needs, thereby implying that it is desirable for a customer to select an insurance company with the relatively highest ranking since such an insurance company would likely best fit the customer's needs. Both CarBargains and Interax provide brokerage services for assisting customers in easily locating vendors who best meet the customers' needs regarding desired products or services;

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therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to implement with CarBargains' service the step of "(f) ranking the sellers based upon the compiled information including the plurality of criteria and selecting sellers with the relatively highest ranking" in order to facilitate the quick and confident selection of a car dealership whose offer best meets

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the car buyer's needs, thereby implying that it is desirable for the buyer to select a car dealership with the relatively highest ranking since such a dealership would likely best fit the buyer's car and financial needs.

[Claims 2, 3] As per claims 2 and 3, CarBargains' requests are made over the telephone; CarBargains fails to expressly teach the receipt of a request via a computer or the selection of at least one seller via a central computer. However, Interax discloses that its "[i]nsurance quotations could be obtained on-line through a Prestel gateway from software run by the insurance companies themselves" ("Honestly the Best Policy": page 33, column 1). Further, "Interax acts as an electronic librarian, ensuring that comparative information is presented to the broker so he can offer his customer the best advice" ("Honestly the Best Policy": page 33, caption under picture at top of page). The conversion of this insurance comparison process from a manual process to a computerized one addresses the problem that "as the number of such 'electronic ratebooks' increases the comparison process becomes complex and very time-consuming. What is required is the electronic equivalent of a librarian to 'open the books at the right page' to ensure that comparative information is presented to the

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broker in a logical and meaningful manner.” (“Honestly the Best Policy”: page 33, column 1) In other words, it is old and well-known that the automation of a manual process typically promotes more accurate and rapid processing of large amounts of data. Therefore, the Examiner asserts that it would have obvious to one of ordinary skill in the art at the time of Applicant’s invention to implement CarBargain’s step of receiving a request from a buyer via a computer and the step of selecting at least one seller using a central computer in order to promote more accurate and rapid processing of large amounts of data, thereby enhancing CarBargain’s ability to handle an increased volume of requests for car quotes from its customers.

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Claims 4-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over CarBargains, as disclosed in the following references:

McKenzie (“Car Sales Firm Represents Buyers Looking for a Good Deal”);  
Barciela (“Need a Car But Hate to Haggle? Service Will Negotiate for You”);  
PR Newswire (“Southern California Gets New Service That Makes Car Dealers Bid for Customers’ Business”); and

Laugesen (“Here’s a New Way of Buying a Car”) *in view of* Interax, as disclosed in the article, “Honestly the Best Policy,” as applied to claim 3 above, and *further in view of* Reilly (“Firms Join Virtual Marketplace”).

[Claims 4, 7] Regarding claims 4 and 7, neither CarBargains nor Interax explicitly teaches the use of the Internet to transmit the request of the buyer to the at least one

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seller or to allow the buyer to access the compiled responses of selected sellers.

However, Reilly makes up for this deficiency in his discussion on how the Internet is used for various business activities, including comparing prices and accepting bids in a marketplace (¶ 4). The Internet provides a relatively inexpensive forum where

businesses can “advertise to a global market” (¶ 13), thereby expanding a business’

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customer base and potential for income/profit. Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant’s invention to adapt CarBargains’ service to be accessible over the Internet such that the Internet is used to transmit the request of the buyer to the at least one seller or to allow the buyer to access the compiled responses of selected sellers in order to provide a relatively inexpensive forum where CarBargains can “advertise to a global market” (Reilly: ¶ 13), thereby expanding its customer base and potential for income.

[Claims 5, 6] As per claims 5 and 6, CarBargains’ receipt of responses from at least one seller and compiling of information provided in the responses are made over the telephone and/or by hand; CarBargains fails to expressly teach that the receipt of responses from at least one seller, the compiling of information provided in the responses, and the ranking of sellers are performed by a central computer. However, Interax discloses that its “[i]nsurance quotations could be obtained on-line through a Prestel gateway from software run by the insurance companies themselves” (“Honestly the Best Policy”: page 33, column 1). Further, “Interax acts as an electronic librarian, ensuring that comparative information is presented to the broker so he can offer his

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customer the best advice" ("Honestly the Best Policy": page 33, caption under picture at top of page). The conversion of this insurance comparison process from a manual process to a computerized one addresses the problem that "as the number of such 'electronic ratebooks' increases the comparison process becomes complex and very time-consuming. What is required is the electronic equivalent of a librarian to 'open the books at the right page' to ensure that comparative information is presented to the broker in a logical and meaningful manner." ("Honestly the Best Policy": page 33, column 1) In other words, it is old and well-known that the automation of a manual process typically promotes more accurate and rapid processing of large amounts of data. Therefore, the Examiner asserts that it would have obvious to one of ordinary skill in the art at the time of Applicant's invention to implement CarBargain's steps of receiving responses from the at least one seller to the request, compiling information provided in the responses received from at least one seller within the predetermined time interval, and ranking the sellers based upon the compiled information by a central computer in order to promote more accurate and rapid processing of large amounts of data, thereby enhancing CarBargain's ability to handle an increased volume of requests for car quotes from its customers.

CarBargains discloses a method for purchasing goods or services from a seller by a buyer:

[Claim 8] wherein the goods are selected from the group consisting of vehicles, computers, or appliances and the services are selected from the groups consisting of legal, financing, medical, or insurance (McKenzie: ¶ 4);

[Claim 9] wherein the goods are vehicles (McKenzie: ¶ 4).

[Claims 10-18] Claims 10-18 recite limitations already addressed by the rejection of claims 1-9 above; therefore the same rejection applies. Furthermore, it should be noted that CarBargains teaches the selection of at least two providers (instead of “at least one”). CarBargains contacts “at least five dealers in the local area” (McKenzie: ¶ 5), thereby addressing this limitation.

[Claims 19-20] Claims 19-20 recite limitations already addressed by the rejection of claims 1-9 above; therefore the same rejection applies. Furthermore, it should be noted that CarBargains teaches the selection of at least two providers (instead of “at least one”). CarBargains contacts “at least five dealers in the local area” (McKenzie: ¶ 5), thereby addressing this limitation.

As per claim 20, CarBargains is used to locate cars of interest for a buyer; however, it does not expressly state that a buyer requests a previously owned automobile *per se*. This difference is only found in the non-functional descriptive material and is not functionally involved in the steps recited nor does it alter the recited structural elements. The recited method steps would be performed the same regardless of the specific data. Further, the structural elements remain the same regardless of the specific data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32

*USPQ2d 1031 (Fed. Cir. 1994); MPEP § 2106.* Furthermore, Official Notice is taken that the sale of previously owned automobiles is old and well-known in the art of automobile sales. By selling both new and previously owned automobiles, a dealer or automobile broker expands his/her customer base, thereby increasing one's likelihood of generating income/profit. Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to adapt CarBargains to find both new and previously owned automobiles for its buyers in order to expand its customer base, thereby increasing the likelihood of generating income.

**(11) Response to Argument**

Regarding the rejection of claims 17 and 18 under 35 U.S.C. § 112, 2<sup>nd</sup> paragraph, Appellant argues that since the Board did not raise this rejection in their decision rendered on September 25, 2003, the Examiner cannot raise such a rejection (pages 5-6 of Appeal Brief). However, this issue was never presented before the Board and was therefore not considered during Appellant's previous Appeal. Furthermore, Office policy is constantly evolving; therefore, one rejection that may have been applicable ten years ago may not be relevant now and vice-versa. This same analysis applies to Appellant's arguments regarding the rejection of claims 1 and 2 under 35 U.S.C. § 101 (pages 6-7 of Appeal Brief).

Appellant continues to argue that there is no technological arts requirement under 35 U.S.C. § 101 because "anything under the sun can be patented, if there is no art applied" (page 7 of Appeal Brief). Regarding the requirement under 35 U.S.C. § 101 that a claimed invention be limited to the technological arts in order to be deemed



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statutory and in response to Appellant's arguments found on pages 7-8 of the Appeal Brief, the Examiner submits that the phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts." See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts."

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Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature," "natural phenomena," and "abstract ideas." See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998). This addresses the second test under 35 U.S.C § 101 of whether or not an invention is eligible for a patent. The Manual of Patent Examining Procedure reiterates this point. More specifically, MPEP § 2106(II)(A) states, "The claimed invention as a whole must accomplish a practical application. That is, it must produce a 'useful, concrete and tangible result.' *State Street*, 149 F.3d at 1373, 47 USPQ2d at 1601-02." Furthermore, "Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under 35 U.S.C. 101." (MPEP § 2106(II)(A))

This “two prong” test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the “technological arts.” The court developed a “technological arts” analysis:

The “technological” or “useful” arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it “enhances” the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the “technological art” because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the “mathematical exception” using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a “useful,

concrete and tangible result.” See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no “business method exception” since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that “[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112.” See *State Street Bank & Trust Co.* at 1377. Both of these analyses go towards whether the claimed invention is non-statutory because of the presence of an abstract idea. *State Street* never addressed the first part of the analysis, i.e., the “technological arts” test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) **was already determined to be within the technological arts** under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences in affirming a §101 rejection finding the claimed invention to be non-statutory for failing the technological arts test. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

What is indeed important to note in the *Bowman* decision is that the Board acknowledged the dichotomy of the analysis of the claims under 35 U.S.C. § 101, thereby emphasizing the fact that not only must the claimed invention produce a “useful, concrete and tangible result,” **but that it must also be limited to the technological arts** in order to be deemed statutory under the guidelines of 35 U.S.C. § 101. The Board very explicitly set forth this point:

[1] We agree with the examiner. Appellant has carefully avoided tying the disclosed and claimed invention to any

technological art or environment. As noted by the examiner, the disclosed and claimed invention is directed to nothing more than a human making mental computations and manually plotting the results on a paper chart [answer, page 5]. The Examination Guidelines for Computer-Related Inventions are not dispositive of this case because there is absolutely no indication on this record that the invention is connected to a computer in any manner.

Despite the express language of 35 U.S.C. §101, several judicially created exceptions have been excluded from subject matter covered by Section 101. These exceptions include laws of nature, natural phenomenon, and abstract ideas. See *Diamond v. Diehr*, 450 U.S. 175, 185, 209 USPQ 1, 7(1981). We interpret the examiner's rejection as finding that the claimed invention before us is nothing more than an abstract idea because it is not tied to any technological art or environment. Appellant's argument is that the physical (even manual) creation of a chart and the plotting of a point on this chart places the invention within the technological arts.

The phrase "technological arts" has been created to offer another view of the term "useful arts." The Constitution of the United States authorizes and empowers the government to issue patents only for inventions which promote the progress [of science and] the useful arts. We find that the invention before us, as disclosed and claimed, does not promote the progress of science and the useful arts, and does not fall within the definition of technological arts. The abstract idea which forms the heart of the invention before us does not become a technological art merely by the recitation in the claim of "transforming physical media into a chart" [sic, drawing or creating a chart] and "physically plotting a point on said chart."

In summary, we find that the invention before us is nothing more than an abstract idea which is not tied to any technological art, environment, or machine, and is not a useful art as contemplated by the Constitution of the United States. The physical aspects of claim 1, which are disclosed to be nothing more than a human manually drawing a chart and plotting points on this chart, do not automatically bring the claimed invention within the technological arts. For all these reasons just discussed, we sustain the examiner's rejection of the appealed claims under 35 U.S.C. §101. See

*Ex parte Bowman*, 61 USPQ2d (BNA) 1669, 1671  
(BdPatApp&Int 2001)

Similarly, in the present application, claims 1 and 2 are deemed to be non-statutory because they are not limited to the technological arts; all recited steps could be performed manually by a human, thereby reinforcing the fact that Appellant's invention fails to "[p]romote the progress of science and useful arts," as intended by the United States Constitution under Art. I, §8, cl. 8 regarding patent protection. In conclusion, the Examiner submits that claims 1 and 2 do not meet the technological arts requirement under 35 U.S.C. § 101, as articulated in *Musgrave*, *Toma*, and *Bowman* as well as the Manual of Patent Examining Procedure.

Regarding the art rejection of claim 1, Appellant argues:

Initially directing attention to claim 1, the Examiner correctly indicated that McKenzie did call at least 5 dealers who then submit bids. The Examiner then speculates "presumably, CarBargains [McKenzie] is contacting dealerships who they know at least sell the desired make or car, e.g., Lexus, Honda, etc." But this statement does not address the specific step in claim 1 of "selecting at least two sellers from a predetermined group of sellers of the goods or services based on a received predetermined plurality of criteria." (Emphasis added) (Page 9 of Appeal Brief)

The Examiner respectfully disagrees. McKenzie specifically states, "A car buyer would use the service by informing CarBargains of the make, model and style of the vehicle desired. From Washington, the service would call at least five dealers in the local area." (¶¶ 4-5) For example, if a customer living in the Washington area contacts CarBargains and states that she is looking for a 1967 Mustang convertible, then

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CarBargains is going to contact at least five dealers in the local Washington area that, at the very least, are known to sell Mustangs (e.g., a Ford dealer). It is predetermined that the group of dealers (i.e., sellers) from which the at least five dealers are selected must be located in the local Washington area. It is also predetermined that these at least five dealers who are invited to bid against each other to provide the customer with the best price of the desired vehicle (McKenzie, ¶ 5) can actually provide the vehicle. In other words, a Honda dealer who strictly sells new and used Hondas is not going to bid on selling a Ford Mustang to a customer simply because the Honda dealer does not have Ford Mustangs to sell. Therefore, by knowing which dealers in the local area to contact and invite to bid to sell a particular make and model vehicle, CarBargains must have some predetermined understanding of which dealers are to be contacted in the first place, thereby addressing the claim limitation in question.

Regarding claim 2, Appellant broadly submits that “while the computers are known there is no motivating reason to provide a computer with the steps of claim 1” (page 10 of Appeal Brief); however, Appellant provides no support for this assertion. Appellant provides similar unsupported assertions regarding claims 3-6, 12, 14, and 15. The Examiner maintains her position as set forth in the rejection of claims 2-6, 12, 14, and 15.

Regarding claim 1, Appellant argues:

At least recognizing that the base references do not disclose “a ranking of the sellers based upon the compiled information including the plurality of criteria and selecting sellers with the relatively highest ratings,” the Examiner relies on Interax with the assertion that this makes up the deficiencies of the base references. As set forth in the Office

Action, Interax “provides a device which captured a customer’s individual requirements and provided a list of insurance companies instead of simply obtaining one quote at a time. The list was ranked in order, not just by cost, but also by projected bonuses and past performance as well. (“Honestly the Best Policy,” page 33, col. 2).

Also in Interax one of the items considered include projected bonuses. How this relates to criteria of the buyer is not understood. This may be related to the ultimate price. Also Interax does not cure the innate deficiencies of the base references. (Pages 10-11 of Appeal Brief)

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The claim limitation in question is “ranking the sellers based upon the compiled information including the plurality of criteria and selecting sellers with the relatively highest ranking.” Interax’s on-line quotation system “captured a customer’s individual requirements and provided a list of insurance companies instead of simply obtaining one quote at a time. The list was ranked in order, not just by cost but also by projected bonuses and past performance as well” (“Honestly the Best Policy”: page 33, column 2). The claim language does not expressly specify how the ranking of sellers occurs beyond the fact that the ranking is based upon the plurality of criteria set forth by the buyer. Interax provides a ranking of insurance companies in response to a customer’s individual insurance requirements, thereby implying that only those who address the customer’s requirements are ranked in the first place. Furthermore, the mere fact that Interax’s customers are in search of insurance is itself a type of criteria related to the goods or services requested by a buyer (as recited in the claimed invention). Clearly, Interax teaches the ranking of insurance companies based on criteria associated with insurance, e.g., requirements set forth by the customer in addition to the fact that insurance is desired. Interax’s service is analogous to that of CarBargains in the sense

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that both services assist customers in locating and selecting the best seller of a desired good or service; therefore, the Examiner maintains that, as set forth in the art rejection, the CarBargains-Interax combination indeed addresses the claim limitation in question.

Regarding claim 19, Appellant argues that the rejection of claims 1-9 do not address claim 19 because claim 19 recites five means; however, the Examiner asserts that the means recited in claim 19 merely refer to various components of a computer system. The rejection of claims 1-9 address the functionality that is also recited in claim 19 as well as why it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to automate the performance of this functionality by a computer system and the various components thereof (including those recited in claim 19).

For the above reasons, it is believed that the rejections should be sustained.



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Respectfully submitted,

SMD

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